the Scheme, authorities payment to the rightful claimant. The claims so recommended are thereafter paid by the Insurance Company. To oversee the claim settlement operations, a District Level Consultative Committee (DLCC) has been set up and to guide and supervise the working of the DLCC, a State Level Consultative Committee (SLCC) has also been set up. In the case of Delhi, the DLCC was constituted vide Delhi Administration's notification dated 28-6-85 with the Deputy Commissioner of Delhi as Chairman and the Additional District Magistrate as a Member as well as the CESO for Delhi. This Committee has held three meetings on 7.2.86, 28.8.86 and 3.4.87 but no claim has been reported so far by the CESO

Commission agents of arms manufacturers of Western Countries

2100. SHRI A. G. KULKARNI: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have seen the press report in Sunday Observer dated 31st May, 1987 as well as an article in India Today for the month of June regarding the list of agents who are engaged as commission agents for arms and ammunition manufacturers' from Western countries;

(b) if so, whether any action has been taken against these agents, who have recently been identified as agents of consultants for various arm deals widely discussed in the country, for any corrupt practices; and

(c) what steps Government propose to take to regularise the genuine consultancy business from clandestine agency business?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ PATIL): (a) Yes, Sir.

(b) Inquiries have been ordered and investigations have been taken up to determine whether there have been violations of the law. Necessary follow up action will be taken as a result of these investigations.

(c) A Committee has been set up under the Chairmanship of the Defence Secretary to, *inter-alia*, report on the *modus* operandi of foreign and Indian agents in defence deals and to suggest necessary steps to eliminate such agents from defence transactions as well as review and make suggestions regarding streamlining of the existing procedure.

Setting up of Atomic Power Plant in Rajasthan

2101. SHRI SATOSH BAGRODIA: Will the PRIME MINISTER be pleased to state:

(a) whether the Rajasthan Goverament has approached the Central Government for clearance to set up an Atomic power plant in that State;

(b) whether the Central Government have given its approval for setting up of such a plant in that State;

(c) what are the details regarding the site selected for the purpose;

(d) what will be its production capacity; and

(e) what are the financial implications thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) Yes, Sir.

(b) to (e) Yes, Sir. Government have approved construction of two units of 235 MWe each at a total cost of Rs. 711.57 crores, adjacent to the existing atomic power station at Rawat Bhata, Rajasthan.

Aid package by Aid India Consortium

2102. SHRI RAM AWADHESH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether US $ 5.4 billion loan agreed to by Aid-India Consortium is to help

India's development plans and if so, break-up of how this loan is to be utilised;

(b) what part of this loan is to be used for repayment of loans and interest;

(c) whether this loan in hard currency is also to be used for work and wages in India itself and if so, the reasons therefor; and

(d) whether the loan carries conditionality clauses as before for global tenders and imports of even for equipment traditionally manufactured in India as has been happening under OP Flood and other projects?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (d) At the India Consortium Meeting held in Paris on June 22-23, 1987, the Members of the Consortium, including the World Bank, pledged aid assistance (both loans & grants) of the order of US $5.4 billion to help India's development plans. Out of this, Project Aid would be about US $4.8 billion and Non-Project Aid would be about US $0.6 billion. Pledges made in the Consortium metting represent only the broad indication of the likely levels of assistance in the year. Bilateral and multilateral contacts are established during the course of the year for negotiating and concluding aid agreements which authorised drawals subsequently. The details such as purpose and terms and conditions of such assistance are only known as and when bilateral or multilateral aid negotiations are completed/finalised.

Indian companies allowed to invest in R&D abroad

2103. SHRI RAM AWADHESH SINGH: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Indian Companies are to be allowed to invest in R & D abroad as reported in Times of India dated 24 h June, 1987, if so, what are the details of the scheme;

(b) whether Government are aware that most companies are showing huge sums for R & D and getting Income Tax relief without doing any R & D;

(c) whether it is a fact that Indian Companies are not financing any R & D work at various National Laboratories such as ICAR, ICMR, CSIR and at the Universities; if so, what are the reasons therefor; and

(d) whether Government are aware that no country in the world will pass on its discoveries to any other country without continuing high profits; if so, the reasons for (a) above?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) Government is considering the possibility of investing in R&D companies abroad as a method of acquisition of new technologies. But no policy decision on this has been taken and no specific proposals formulated.

(b) There are over 900 in-house R&D industrial units both in the public sector and the private sector who are undertaking R&D activities related to their production.

The Department of Scientific & Industrial Research (DSIR) in the Ministry of Science Technology has a scheme for according recognition to in-house R&D laboratories/establishments of industrial units. The units recognised under this scheme are periodically reviewed before renewal of recognition. Wherever improper claims are made for tax exemption purposes, they are examined on a case by case basis and appropriate decisions taken.

(c) No, Sir. There are many instances where Indian companies have financed R&D projects at National Laboratories.

(d) Many countries of the world pass on their discoveries to other countries only on making profits.

It is likely that investment in R&D companies abroad by Indian companies could